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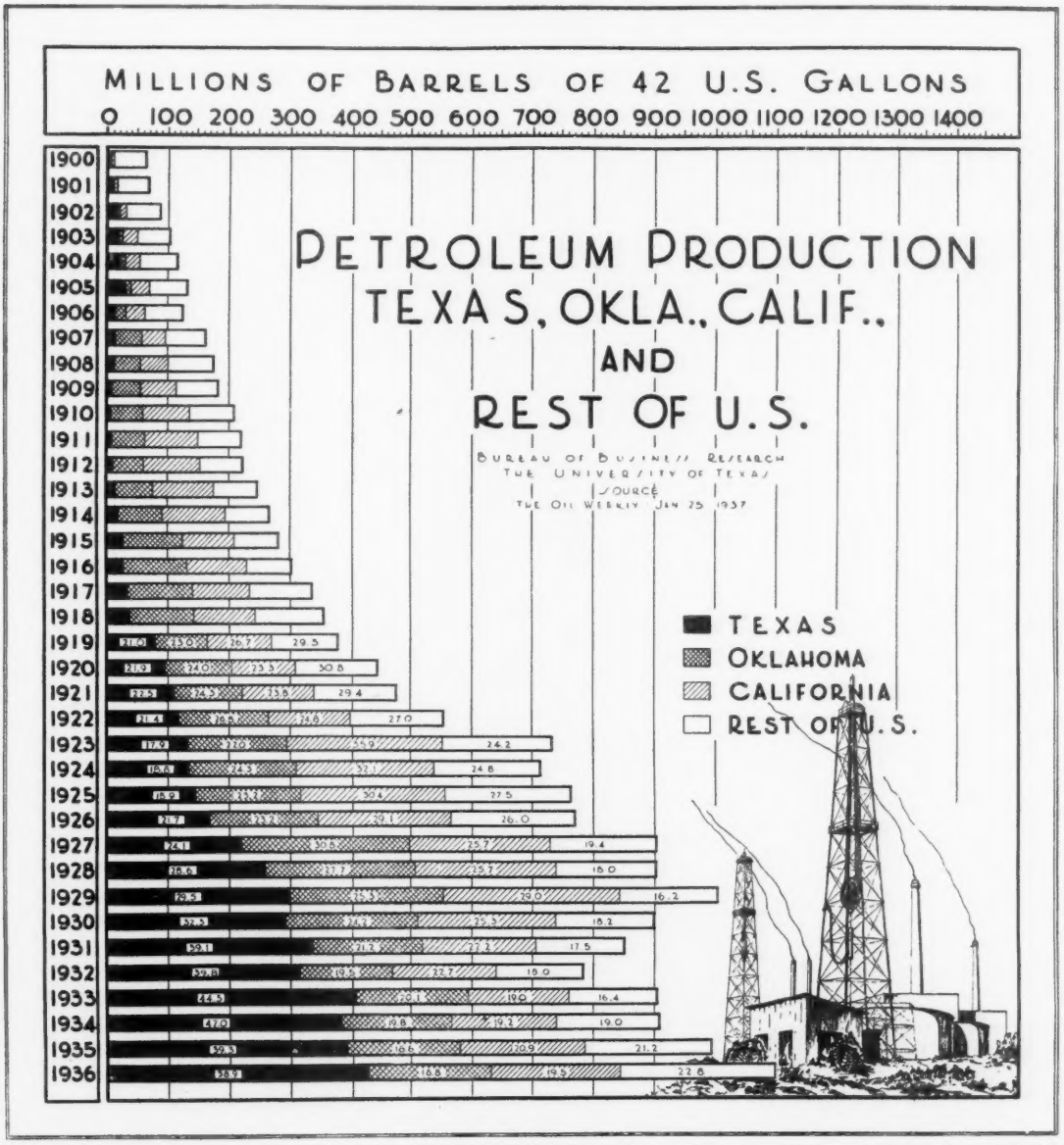

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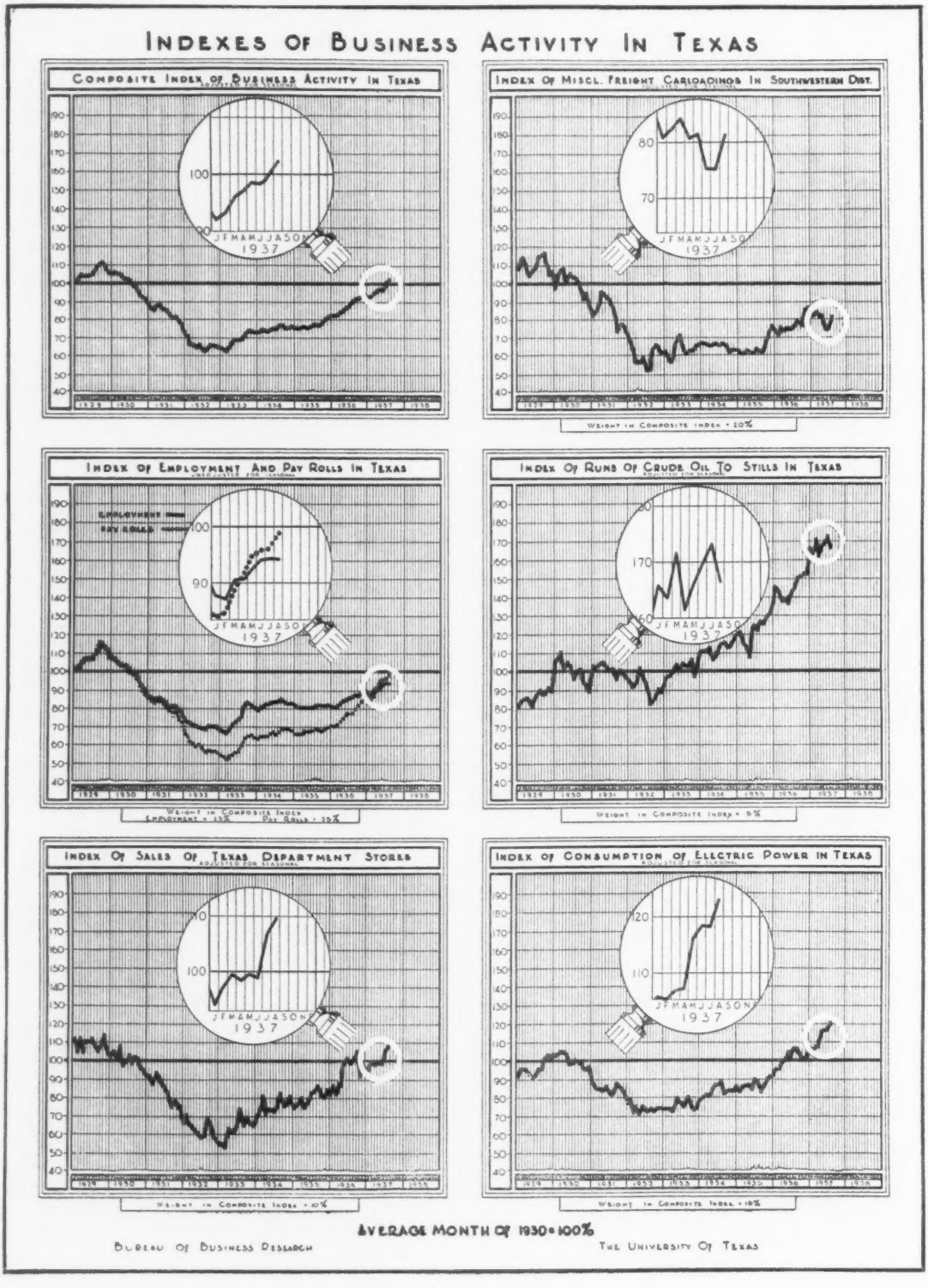
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1937
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AVERAGE MONTH OF 1930 = 100%
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AUGUST EMPLOYMENT AND PAY ROLLS IN TEXAS CLASSIFIED BY CITIES AND EMPLOYMENT GROUPS

Pay Rolls Ending Nearest Fifteenth of Month

	No. of Establishments	Workers: Number August 1937	Workers: Percentage Change from August 1936	Workers: Percentage Change from July 1937	Pay Roll: Dollars August 1937	Pay Roll: Percentage Change from August 1936	Pay Roll: Percentage Change from July 1937	Average Weekly Wage per Worker: August 1937	August 1936	July 1937
Abilene	18	276	+14.5	− 1.4	$ 6,252	+18.3	− 3.9			
Amarillo	38	1,059	+22.1	+ 0.7	30,166	+45.9	+ 2.3			
Austin	21	549	+ 5.6	+ 0.2	11,449	+ 5.0	+ 4.0			
Beaumont	33	3,257	+ 3.9	+ 1.7	97,815	+32.8	+ 7.6			
Corpus Christi	6	296	+14.3	+ 1.7	3,888	+10.7	+ 6.3			
Dallas	171	10,562	+ 3.2	− 1.6	239,826	+13.4	+ 2.8			
Denison	8	844	+37.7	+ 4.1	17,011	+85.3	+21.3			
El Paso	69	2,575	+30.3	+ 1.5	58,482	+56.8	+ 6.4			
Fort Worth	74	6,146	+ 6.7	− 2.9	148,489	+28.1	− 3.3			
Galveston	18	573	0.0	− 5.1	15,809	+12.4	+ 1.2			
Houston	147	12,732	+14.9	+ 4.1	326,163	+30.4	+ 5.1			
Laredo	12	206	+17.7	− 1.0	3,049	+16.7	+ 3.3			
Port Arthur	9	8,078	+ 9.0	− 0.1	252,437	+30.5	+ 4.5			
San Angelo	8	155	+ 3.3	+ 2.0	2,557	+ 9.5	− 2.7			
San Antonio	129	4,937	+ 6.4	+ 2.3	103,349	+12.7	+ 2.3			
Sherman	14	788	+ 4.5	+ 1.0	15,445	+ 0.5	+10.6			
Waco	36	1,849	+12.5	− 0.3	34,430	+17.7	+ 3.6			
Wichita Falls	25	713	+16.7	+ 9.7	16,493	+29.0	+11.6			
All Other Cities	965	35,687	+ 5.1	− 1.9	950,831	+21.1	+ 0.2			
STATE	1,801	91,282	+ 7.9	− 0.3	2,333,941	+23.9	+ 2.3	$25.57	$22.27	$24.93
BUILDING MATERIALS	97	8,536	+ 9.8	− 1.4	181,195	+25.9	− 0.6	21.23	18.52	21.06
Brick, Tile, Terra Cotta	12	609	+ 0.2	− 3.0	8,158	+11.3	− 0.3	13.40	12.06	13.03
Cement	8	1,319	+11.5	+ 0.2	31,245	+29.1	− 5.6	23.69	20.45	25.13
Foundries, Machine Shops	25	2,335	+31.0	+ 3.4	63,146	+42.3	+ 2.7	27.04	24.89	27.24
Millwork	15	608	+13.6	− 2.7	12,474	+17.0	− 4.1	20.52	19.93	20.82
Saw Mills	13	2,828	− 0.1	− 4.2	45,902	+13.8	− 1.6	16.23	14.24	15.80
Structural Iron Works	10	706	− 1.4	− 5.1	17,113	+18.4	+ 2.7	24.24	20.18	22.40
All Other Building Materials	14	131	+13.9	− 2.2	3,157	+21.1	− 1.7	24.10	22.66	23.98
CHEMICALS‖	29	701	+ 8.9	− 3.4	15,817	+21.5	− 0.7	22.56	20.21	21.94
CLOTHING AND TEXTILES	37	3,812	+ 2.6	+ 5.6	49,080	+ 8.7	+12.0	12.88	12.15	12.14
Cotton Textile Mills	8	2,046	+13.0	+ 9.3	27,990	+27.4	+18.7	13.68	12.14	12.60
Men's Work Clothing	13	1,135	−17.4	− 2.2	12,314	−23.9	+ 1.7	10.85	11.77	10.43
Other Clothing and Textiles	16	631	+18.6	+ 9.2	8,776	+25.5	+ 7.7	13.91	13.15	14.10
COTTON OIL MILLS	31	731	+ 2.2	+50.4	11,243	+13.7	+52.9	15.38	13.83	15.13
DISTRIBUTION	568	17,443	+ 7.2	+ 0.9	378,272	+15.6	+ 2.9	21.69	20.12	21.27
Retail Trade	355	12,108	+ 6.9	+ 0.6	229,933	+14.5	+ 1.0	18.99	17.73	18.91
Wholesale Trade	213	5,335	+ 7.9	+ 1.7	148,339	+17.3	+ 6.0	27.80	25.58	26.68
FOOD PRODUCTS	104	7,607	+ 9.7	− 4.7	178,859	+30.2	− 2.5	23.51	19.81	22.98
Bakeries	22	751	+11.6	+ 1.2	15,285	+18.1	+ 4.8	20.35	19.23	19.66
Beverages	16	463	+ 9.2	+ 1.5	11,310	+ 8.1	+ 8.0	24.43	24.67	22.97
Flour Mills	8	544	+14.3	+ 0.2	13,267	+30.4	− 4.6	24.39	21.38	25.62
Ice Cream Factories	6	350	+11.5	− 8.1	7,271	+23.6	+ 3.0	20.77	18.74	18.53
Meat Packing, Slaughtering	10	3,742	+12.7	− 1.5	100,296	+40.0	− 3.4	26.80	21.58	27.32
Other Food Products	42	1,757	+ 1.7	−14.5	31,430	+19.8	− 6.2	17.89	15.19	16.29
FOREST PRODUCTS	29	1,449	+ 1.1	+ 0.6	27,224	+ 9.6	+ 2.8	18.79	17.33	18.38
Furniture Manufacturing	6	474	− 2.3	+ 2.6	9,922	+ 7.5	+ 7.7	20.93	19.02	19.94
Paper Products	12	515	+ 0.8	− 1.3	10,096	+ 9.1	+ 0.8	19.60	18.11	19.18
Other Forest Products	11	460	+ 5.3	+ 0.7	7,206	+13.5	− 0.8	15.67	14.53	15.90
PETROLEUM	59	25,146	+ 7.5	+ 0.6	847,531	+31.7	+ 4.6	33.70	27.51	32.41
Crude Petroleum Producing	25	5,489	+ 5.6	+ 0.7	199,453	+18.3	+ 0.5	36.34	32.46	36.42
Petroleum Refining	34	19,657	+ 8.0	+ 0.6	648,078	+36.5	+ 6.0	32.97	26.09	31.29
PRINTING AND PUBLISHING	56	1,516	+ 5.6	− 1.7	48,194	+14.0	0.0	31.79	29.45	31.24
Commercial Printing	33	498	+ 5.1	− 5.0	11,952	+ 8.1	− 3.8	24.00	23.32	23.72
Engraving	7	51	− 3.8	− 1.9	2,325	+16.7	− 7.7	45.59	37.58	48.46
Newspaper Publishing	16	967	+ 6.4	0.0	33,917	+16.0	+ 2.0	35.07	32.17	34.40
PUBLIC UTILITIES	507	13,250	+ 6.5	− 2.7	372,640	+17.2	− 1.7	28.12	25.55	27.82
Power and Light	441	7,652	+ 7.9	− 0.5	218,812	+16.3	− 2.0	28.60	26.52	29.02
Steam Railroad Repair Shops	20	2,837	+10.3	− 1.7	80,838	+29.5	+ 4.1	28.49	24.26	26.92
Other Public Utilities	46	2,761	− 0.7	− 9.4	72,990	+ 8.2	− 6.7	26.44	24.26	25.66
QUARRYING & NON-METALLIC MINING	29	879	− 6.7	−20.3	21,669	+ 7.4	−16.1	24.65	21.42	23.42
SERVICE	133	5,464	+ 3.6	− 1.8	80,915	+ 6.3	+ 0.2	14.81	14.43	14.51
Business and Personal Service	25	307	+ 5.1	− 0.6	7,635	+ 6.6	− 1.9	24.87	24.53	25.19
Hotels	28	2,578	− 0.2	− 2.2	32,463	+ 3.3	− 1.4	12.59	12.16	12.49
Ice	55	1,148	+10.7	− 3.7	21,833	+ 8.7	+ 6.9	19.02	19.37	17.13
Laundries, Dyeing and Cleaning	25	1,431	+ 4.9	+ 0.4	18,984	+ 8.6	− 3.1	13.27	12.81	13.75
ALL OTHER INDUSTRIES	122	4,748	+30.6	+ 4.3	121,302	+46.2	+ 8.8	25.55	22.82	24.50

‖Chemical and Allied Industries not elsewhere classified.

NOTE: Prepared from reports from Texas industrial establishments to the Bureau of Business Research, coöperating with the United States Bureau of Labor Statistics.

Business Review and Prospect

Improvement in industry and trade in the country at large this fall is now expected to fall short of earlier expectations. The sharp declines in the security and commodity markets may not only forecast a change in the trend of business activity, but, if sufficiently prolonged, may actually contribute to bring about a decline.

It has frequently been pointed out in these columns that rising costs, especially if these should exceed the rise in incomes, hold a menace to continued business improvement. Whether the present slowing down in business improvement, at the time when a substantial pick-up was logically to have been expected, is a result of the sharp rise in costs represented by increases in wages, commodity prices, and the like earlier in the year cannot be proved. It nevertheless seems probable that the marked rise in steel prices, for instance, last winter, with a corresponding increase in wages is now being reflected in the announced increases in automobile prices. What the effect will be on demand for cars is yet to be determined and constitutes for the time being a cloud on the business horizon. The same general situation prevails in the building industries in which present activity is far below earlier indications, influenced no doubt, in a measure at least, by the sharp increase in costs.

Some of the factors which are currently serving as a depressant to business sentiment should really have the opposite effect; among these is the decline in commodity prices. It surely was not to be expected or desired that the high drouth-induced prices of grains and feedstuffs should be maintained at the level which prevailed prior to the new crop year. This situation would have been disastrous to the main pillars of American agriculture—the live stock industries.

Again, the decline in prices of industrial metals should be viewed with approval rather than pessimism, from the standpoint of its future effect on American industry. Of course, the decline could go too far but there are no present indications that this will take place.

There is every indication that consumer buying power will be well maintained for many months ahead. Farm buying power undoubtedly is on the upgrade; urban buying power, as represented by employment and pay rolls, remains well above last year and is at the highest point since 1930. Under these circumstances it is difficult to vision a serious decline in business this fall and early next year. On the contrary, it appears more likely that the upward trend of business will soon be resumed unless interrupted by adverse domestic or international political developments.

TEXAS BUSINESS

Texas business continued during August the steady upward trend which has prevailed with but minor interruptions since the spring of 1935. After adjustment for seasonal variation, the composite index of Texas business rose from 100.1 in July to 102.4 in August. As pointed out in previous issues of the REVIEW, this index represents a percentage, using the average month in 1930 as a base. In August, 1936, the index was 89.5. The improvement in Texas business over August last year was more than 11 per cent.

All of the components entering into the composite index were well above August last year. For employment the gain was from 86.0 to 94.4; pay rolls, from 78.0 to 98.9; carloadings, 76.7 to 81.4; runs of crude oil to stills, 144.8 to 166.4; department store sales, 99.8 to 110.0; and electric power consumption, 102.2 to 123.2.

There was a decline in the index of runs of crude oil to stills from July to August—173.5 to 166.4—and the index of employment showed virtually no change. The remaining three indexes showed substantial gains from July to August.

Not only do the elements which enter into the business index discussed above justify a moderately optimistic attitude toward Texas business, but a number of others not included in the index point in the same direction. Texas cement statistics during August were quite favorable; the number of new corporations chartered during the month increased slightly, while the capitalization of these new firms increased sharply; and building permits in the majority of Texas towns and cities made favorable comparisons.

As is shown below, the farm cash income of Texas continues favorable, and along a number of lines of agricultural activity the outlook is bright.

TEXAS FARM CASH INCOME

Farm cash income in Texas during August maintained the wide margin of improvement over a year ago which has prevailed for several months. Using the average monthly farm cash income in Texas for the sixty months from 1928-32, inclusive, as a base and adjusting for seasonal variation, farm cash income in August this year was 135.2 per cent of this base compared with 69.6 per cent during August a year ago.

More significant, however, than the comparative figures for the State as a whole are the corresponding indexes for the various crop reporting districts. These are shown in the following table:

INDEX OF AGRICULTURAL CASH INCOME

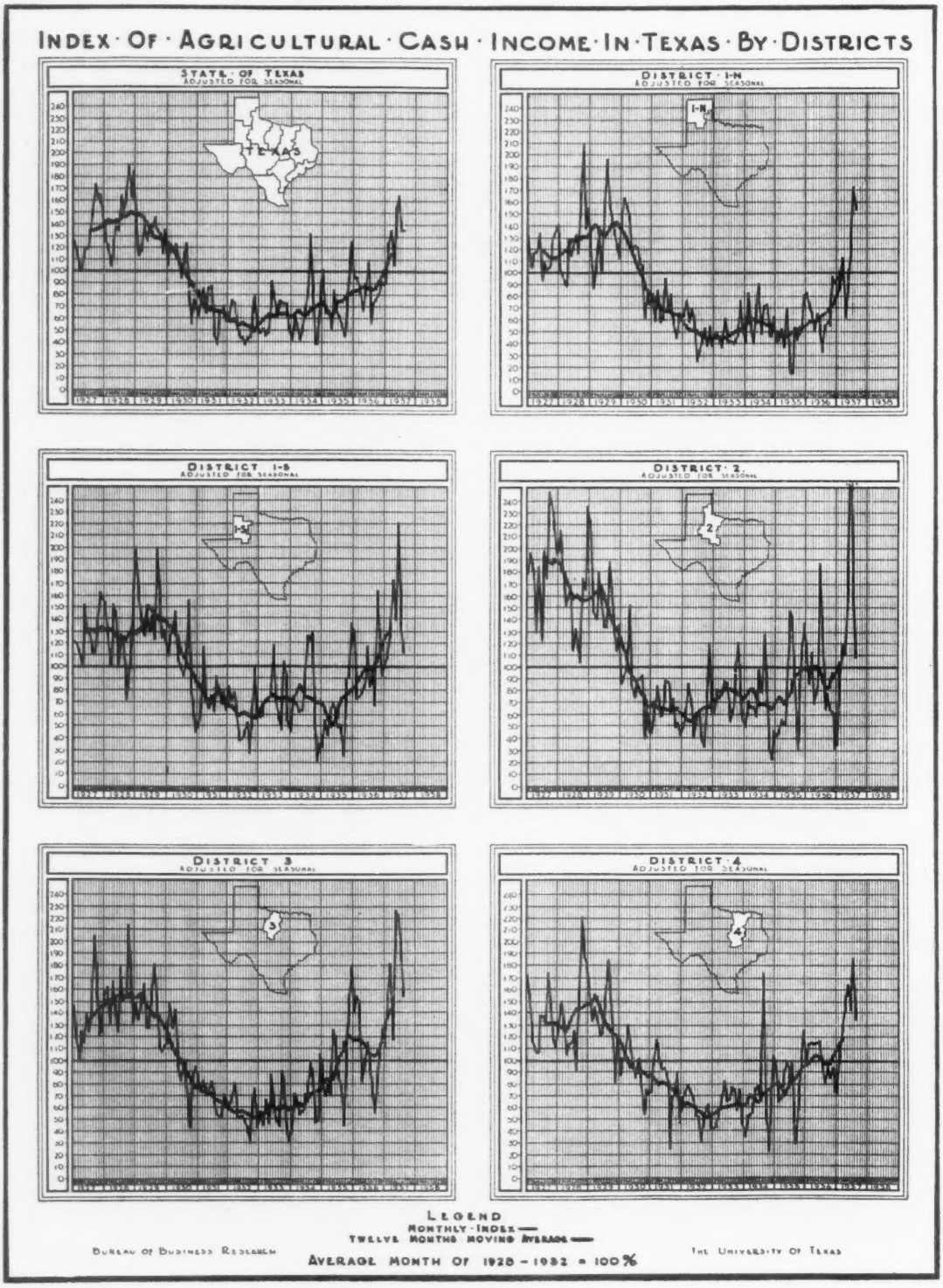
District	August 1937	August 1936	July 1937
1-N	155.8	51.9	173.0
1-S	111.6	97.7	134.4
2	109.0	65.7	162.6
3	155.5	76.7	196.8
4	134.1	80.1	187.7
5	105.1	51.9	160.3
6	189.3	99.5	123.4
7	137.0	50.4	154.9
8	108.9	49.4	94.6
9	107.8	50.2	79.8
10	205.6	129.3	91.3
*10-A	317.5	96.2	139.8
STATE	135.2	69.6	135.2

*Included in District 10.

NOTE: For crop reporting districts, see map, pages 4 and 5.

(Continued on page 6)

For Other Texas Data, See Statistical Tables at the End of This Publication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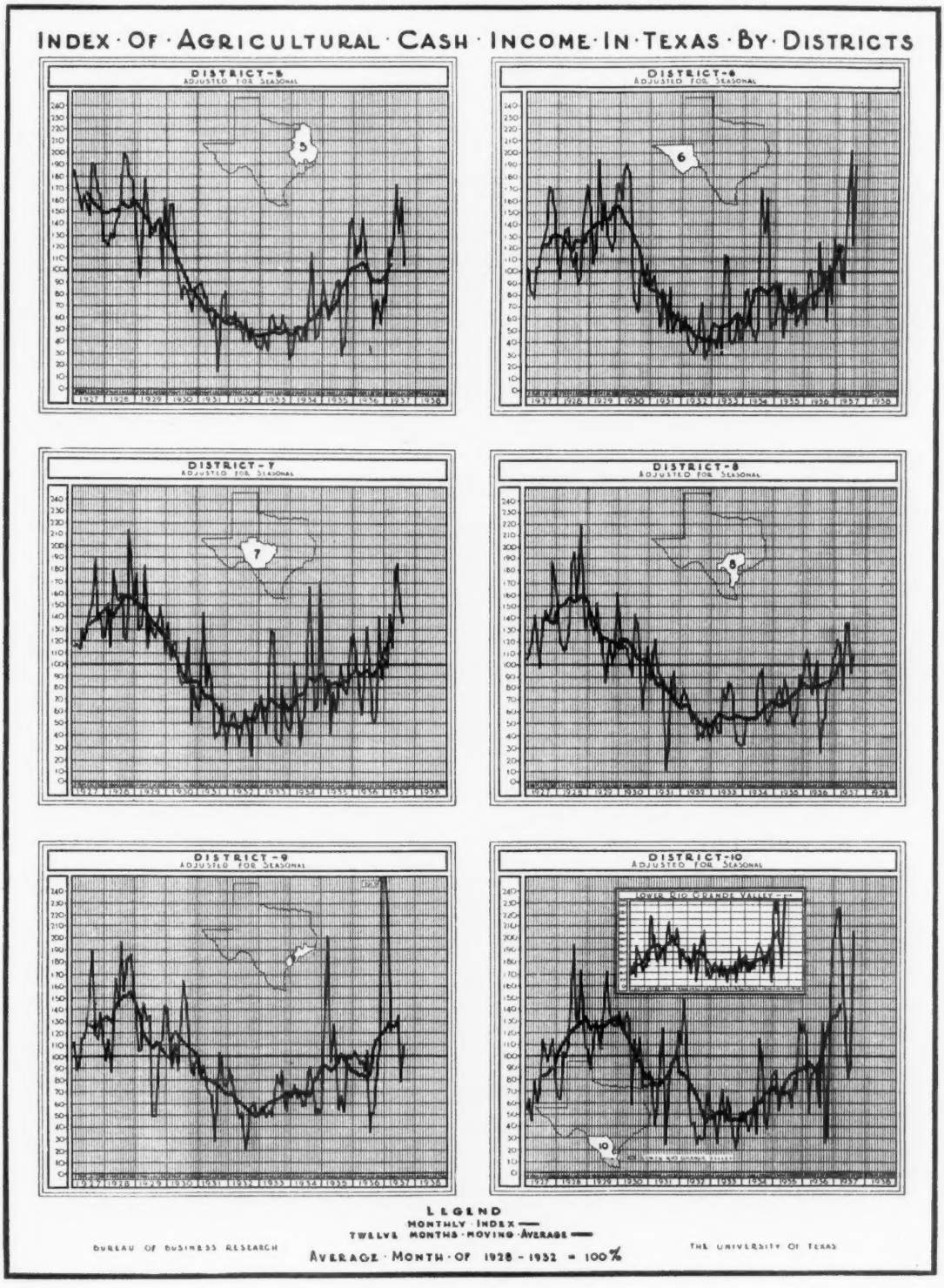
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(Continued from page 3)

It is unnecessary to do more than mention the fact that the crop reporting districts of Texas delineate areas having relatively homogeneous characteristics in the matter of natural factors affecting agricultural production. As a result of this fact a high degree of agricultural specialization prevails in the various districts. In district 1–N, for example, wheat and grain sorghums are the main cash crops, while livestock and livestock products also furnish a substantial part of the cash income of the region. In district 1–S cotton and grain sorghums are the main cash crops, with the income supplemented to an important extent by livestock and livestock products. In districts 3, 6, 7, and 10 livestock and livestock products constitute the main sources of income, and it is noteworthy that in these districts the percentage gain in farm income over the base period was most pronounced. District 1–N also benefited from the large production and good price of wheat. Districts 2, 5, and 8, predominantly cotton producing districts, made relatively less favorable showings. District 4, although primarily a cotton district, produces wheat in the northern portion and derives considerable income from livestock and livestock products. Proximity to good local markets also gives district 4 advantages; and, as a result of these factors, the index of farm cash income in this district approached quite closely that of the more distinctly livestock districts. Moreover, the actual farm cash income in this district during August amounted to more than one-fourth of the total for the State.

District 10–A is composed of the four counties in the lower Rio Grande Valley. An unusually large cotton crop in this district, which was marketed before the sharp break in cotton prices occurred during recent weeks, caused the sharpest rise in the farm cash index of any region of the State. The actual computed farm cash income in these four counties during August totalled $5,226,000, compared with only $1,584,000 during August last year.

F. A. Buechel.

Petroleum

The outstanding fact regarding petroleum in 1937 has been, and is, the increased production over that of previous years. Throughout 1936 petroleum production for the United States as a whole was greater than for 1929—the record year up to that time—and the 1929 production level was not exceeded until 1936. In 1929 petroleum production in the United States passed the billion-barrel mark and attained a level more than two and one-half times what it had been a decade earlier in 1919.

Throughout 1937 petroleum production has averaged an increase of about 18 per cent over the preceding record year of 1936 and has been about twenty-seven per cent greater than for the year 1929.

Everyone knows that the two major fuel and power raw materials in the United States are bituminous coal and petroleum. Since the World War, coal in the United States has been an industry severely affected by conditions of chronic overcapacity, and often has been referred to as a chronically sick industry. Recently there has been established in the Department of the Interior at Washington a National Bituminous Coal Commission, directed by law to study, among other things, the "competitive relationships between the bituminous coal and other forms of fuel and energy." So far as the oil industry is concerned, this new set-up reflects national recognition of the fact that "fuel oil in some localities and for some purposes is a very active competitor of bituminous coal. . . ." The facts are that most of the petroleum produced is, after refining, used "in the form of gasoline, kerosene, and lubricants, for which purposes coal cannot well compete, except at vastly higher levels of oil prices than now prevail. "For this reason," states the Commission, "only a limited part of the production of oil may be considered as directly competitive with coal."

Comparing, however, the production trends of bituminous coal and petroleum, two significant items stand out:

(a) From the longer point of view, there has been the steady increase in petroleum production almost from its very beginning in 1860 to the level attained in 1937, during which time the weekly production of petroleum converted into its bituminous coal equivalent has averaged more than five million net tons, whereas the weekly bituminous coal production in the United States has averaged around eight million net tons. These data reflect roughly, for certain comparative purposes, the high position petroleum has attained in this country as a producer of fuel and energy materials. Were the comparison carried further so as to show the utility of gasoline, kerosene, and lubricants, the comparative significance of oil would bulk much larger indeed.

(b) Comparing short-time production trends of bituminous coal and petroleum, the amazing fact is the obvious uniformity of petroleum production during the year, from week to week, from season to season, when contrasted with the sharp and strong fluctuations that have characterized bituminous coal production whether in 1929, in 1936, or thus far in 1937.

It is obvious that these trends of development have immense significance to Texas, supplying as this State does some forty per cent of the national output of petroleum and a like share of the gross production of natural gas of the country.

The economic significance of Texas is further shown in the value of mineral products of the various States in a report issued in the *Minerals Yearbook*, 1937, by the Bureau of Mines. These values for 1936 are not yet available, but in 1935 Texas for the first time led all other States with a mineral products value of more than $528,000,000. The great coal producing state, Pennsylvania, came second with mineral values in excess of $520,000,000. California ranked third with a value of $360,000,000. Oklahoma and West Virginia each had less than half the value of the Texas mineral output.

Elmer H. Johnson.

Financial

In general, the position of the commercial banking system has changed but little during the summer months. Perhaps the most significant developments have been a further shifting from investment securities to customer loans and a sharp drop in deposit balances carried by domestic correspondent banks. Both of these trends were in evidence last spring and both reflect a widening demand for commercial credit.

The adjusted demand deposits of the reporting member banks decreased from $15,425,000,000 on May 19, to $14,811,000,000 on September 8. The shrinkage of some $600,000,000 represented for the most part a withdrawal of balances from metropolitan institutions by country correspondent banks which needed the funds either to meet reserve requirements or to accommodate a growing demand for credit from their local customers. Reflecting the increasing demand for commercial credit, bank loans have continued to expand. Real estate loans and loans to security brokers and dealers have increased slightly during the past four months. The most significant expansion, however, has occurred in the category of "commercial, agricultural, and industrial loans," which increased from $4,189,000,000 on May 19, to $4,688,000,000 on September 8. Over the same period, these banks decreased their holdings of Federal government obligations from $9,476,000,000 to $9,322,000,000 and their holdings of "other securities" from $3,201,000,000 to $2,952,000,000. Since September 9, 1936, the reporting member banks have reduced their government bond portfolios by $1,165,000,000 and their investments in "other securities" by $367,000,000.

This substantial liquidation of bonds has been largely concentrated in two periods. During last March and April, heavy sales were effected in an effort to meet the increased legal reserve requirements ordered by the Federal Reserve Board to be effective March 1 and May 1. Mid-summer selling has again been in evidence occasioned, apparently, by a desire to meet a growing demand for commercial credit with the proceeds of such sales, rather than through borrowings from the reserve banks. In both instances the bond market, including the government list, weakened noticeably. Short term money rates, however, have thus far shown little inclination to rise.

This recurrent weakness in the bond market, especially in the prices of Treasury obligations, explains almost wholly the recently announced changes in Federal Reserve Bank discount policy. Since August 3, all of the reserve banks except the Cleveland Bank have reduced their discount rates, the reduction in each instance amount to one-half per cent. Eleven of the reserve banks now have in effect a discount rate of one and one-half per cent and the New York Bank a rate of one per cent, which latter is reported to be the lowest rate ever used by a central bank. The object of this policy is not only to keep money market interest rates low but to induce member banks to meet demands for credit by borrowing from the reserve banks rather than selling government obligations, which tends to depress the market for such securities.

On September 11, following a two-day meeting of the Federal Reserve Open Market Committee, it was announced that two additional steps looking toward credit ease would be taken. The Treasury had agreed to "desterilize" $300,000,000 of gold and the Open Market Committee indicated that the Federal Reserve System would buy Treasury bills and notes in the market from time to time whenever such action appeared to be desirable. Within the next several days $300,000,000 of gold was sold to the Reserve System, but the reserve banks as yet have not indulged in open market purchasing of securities.

The announced objectives of these two moves is to prevent a probable seasonal tightening of the short term money market. Since the May 1 increase in legal reserve requirements, excess reserve balancs of the member banks have ranged between $700,000,000 and $950,000,000, standing on September 15 at approximately $880,000,000. It is anticipated that these loanable funds will be depleted by $300,000,000 before the year-end because of the normal seasonal expansion of currency in circulation. (Since July 28, a currency expansion of $130,000,000 has already occurred.) Further depletion of excess reserves is expected as a result of the autumn increase in commercial lending. It is entirely possible that these two trends will more than exhaust the present excess reserves of the member banks, especially those of the metropolitan banks. Should this situation develop, it is reasonable to expect short term money rates to rise and government security prices to fall, as commercial banks liquidate these obligations (probably Treasury bills and notes which provide exteremely low yields) in order to restore their reserve positions.

The Treasury sale of hitherto sterilized gold will tend to preserve easy money conditions by adding eventually perhaps 75 per cent of the $300,000,000 to member bank reserve balances. The reserve banks paid for this gold merely by crediting the Treasury's checking account on their books. As the Treasury spends this credit for its innumerable operating expenses, the fund will be paid into circulation whence it will inevitably drift into commercial banks and eventually be added to member bank reserve accounts. The open market buying of securities by the reserve banks operates in a similar manner. Reserve bank purchases are paid for by cashier's checks or mere credits(in the case of member bank sellers) to deposit accounts. In either event, the amount paid is sooner or later added to member bank reserve balances. Both gold selling and open market buying result in increasing the supply of loanable funds and easing the money market and are inflationary in character.

It is unnecessary to elaborate on the inherent contradictions involved in our present central bank discount policy. It is contradictory to announce a policy, as was done last December, of sterilizing all gold imports by holding them in an inactive gold account, and then, subsequently to start selling this gold to the reserve banks. It is even more contradictory to raise legal reserve requirements in the spring to check credit inflation and in the fall to buy securities in the open market to keep interest rates easy.

The real concern of the Treasury, for the Treasury and the Federal Reserve Board are one and the same for all practical purposes, is to maintain at all hazards an artificially high market for Federal Government obligations. Any tightening of the money market at the present time would seriously embarrass the Treasury, which has outstanding a floating debt of some $14,000,000,000 in the form of notes and bills, a sizable portion of which must be renewed within the next six months. Rising money rates would increase substantially the interest cost of this debt and render more difficult the flotation of new security issues to finance the steadily accruing Treasury deficit. Already during the first two months of the present fiscal year, i.e., during July and August, a net deficit of $272,000,000 (gross deficit of $352,000,000) has been incurred, despite an increase of 35 per cent in tax revenues over the corresponding period last year. This experience, it should be remembered, is recorded in the fifth year of business recovery. Just so long as the Federal Government refuses to put its fiscal affairs in order, it seems certain that the central bank discount policy will be shaped to facilitate Treasury financing rather than to reflect the legitimate business needs of the country.

J. C. Dolley.

The Furniture Industry in Texas

The manufacture and sale of household furnishings in the United States are accelerated as new homes are built to overcome the shortage of family dwellings. Because residential building has been greatly below normal for at least six years, it is estimated by Dr. A. P. Haake, Managing Director, National Association of Furniture Makers, that it will be necessary to build as many as 400,000 new homes every year for the next ten years to supply the country's housing needs.

The rise or decline in the volume of furniture manufactured and distributed is directly related to the activity in residential building. As building is one of the first industries to suffer during depression years and one of the slowest to recover, the decrease in building permits in the United States from 1930 to 1935 is particularly significant as one factor in the condition of the furniture market during this period. Although residential building is still more than 50 per cent below the peak reached in 1928, the Bureau of Labor Statistics reports that the amount spent for residential building in the United States during the first six months of 1937 totaled $410,761,413 as compared with $290,023,698 for the corresponding period in 1936, or a gain of 41.6 per cent, and provided new homes for 29,046 more families than were provided for during the first six months of 1936. The Statistical Abstract of the United States for 1936 estimates the cost of new residential building in this country at $1,859,430,000 for 1928 compared with $211,988,000 for 1935.

In his analysis of the 1935 Census of Manufactures covering the furniture industry, Mr. J. T. Ryan, Secretary of the Southern Furniture Manufacturers Association, High Point, N.C., includes the following statement:

"The dollar volume reached the peak in 1929 and reached the bottom during the census year of 1933. (Figures are not available for the year 1932 but the bottom was unquestionably reached in that year.) The 1933 dollar volume was only 34.7 per cent of the 1929 volume or 65.3 per cent less. The 1935 production increased 36.6 per cent over the 1933 volume and had reached 47.4 per cent of the 1929 production, or 52.6 per cent less. In other words, although the 1935 volume was more than one-third greater than in 1933, it was less than one-half of the 1929 dollar volume.

"Thus it will be observed that in order for the furniture industry to get as many dollars for its production as in 1929, the dollar production would have to be more than double that of 1935. This is pointed out because with continued improvement in general conditions, we should expect a continued increase in furniture volume."

Mr. Ryan further explains that based on the 1929 dollar volume the total spent by the public during 1936 for furniture was slightly more than one-half, or 53.6 per cent, of that spent for furniture in 1929. He also calls attention to the fact that the price level for furniture is much below that of 1929 and, consequently, the decline in physical volume in number of pieces must be much less than indicated by the decline in dollar volume.

Manufacturers and retailers are both at present optimistic over the outlook for the furniture industry for the remainder of this year and the coming year, as sales have been much greater proportionately during the past year than for several years, and also greater than the compartive increase in residential building. Replacement sales, particularly evident as purchasing power increases, are expected to serve as an important factor in bringing furniture sales to a level near that reached in 1929.

During the depression approximately 1,200, or about one-third, of the furniture factories in the United States were closed, and there are now only 80 per cent as many in operation as were producing in 1929. Even with the return of prosperity to the furniture industry, it is not expected that the number of plants will increase rapidly, but that larger production will be taken care of rather by more extensive operation and increased capacity of plants already producing.

In reporting the number of plants in operation, the Census of Manufactures does not take into consideration establishments having an annual production of less than $5,000 in value. This accounts, for the most part, for the wide difference between the number of factories listed in the Census reports for Texas and the number shown in the *Directory of Texas Manufacturers.* Although many of the plants listed in the *Directory* are small and produce only highly specialized or custom built articles, they may be locally significant. All firms have been

listed in the *Directory* according to the class of products they produce without indication as to the size of the plant. Approximately fifty factories in Texas reported some furniture manufacturing during 1936; those still in operation and the new plants which have opened during the last two years will be shown in the 1938 Directory.

Furniture produced in Texas consists largely of wooden household furniture, although several plants manufacture some metal office and household furnishings. Factories are scattered generally over the State and include plants in El Paso, Amarillo, and Wichita Falls, as well as San Antonio, Austin, Dallas, Beaumont, Houston, and Paris. Most of the manufacturing is done in, or near, the hardwood producing areas in the eastern section of the State, and to a large extent the products are shipped direct to local retail dealers in the State by use of trucks, which in some instances cover a radius of as much as three hundred miles.

FURNITURE FACTORIES IN TEXAS

Year	Number of Firms	Number of Employees	Value of Products	Value Added by Manufacture
1919	26	784	$4,717,564	$2,286,975
1927	22	1,001	4,102,693	2,018,074
1929	44	1,512	6,739,923	3,765,261
1931	36	999	3,305,000	1,768,000
1933	26	910	2,488,000	1,401,000
1935	32	1,137	3,686,522	1,992,387

Source: United States Census of Manufactures.

The furniture industry in the United States is widely distributed geographically, as nearly every state in the Union has reported some furniture manufacturing. Eleven states, however, account for most of the production and rank as follows in value of products: New York, North Carolina, Indiana, Illinois, Virginia, Pennsylvania, Michigan, California, Ohio, Massachusetts, and Wisconsin. The principal wholesale furniture markets are located in New York, Chicago, Grand Rapids, Michigan, and High Point, North Carolina.

Trends in southern furniture production have been, and are, toward better grades. This fact, rather than the increase in the number of plants or in quantity production, is largely responsible for an increase in 1936 of 30 per cent in value of furniture manufactured in the South over the value of production for 1935. More than 25 per cent of the wooden household furniture manufactured in the United States was produced in the South during 1935; while North Carolina and Virginia alone produced nearly one-half of the bedroom and dining room furniture consumed in this country.

The employment and pay roll report compiled each month by the Bureau of Business Research shows an increase of 13.6 per cent in the number of workers employed in the furniture industry of Texas from July 1936 to July 1937. The Bureau of Labor Statistics index number for the furniture industry for the country as a whole during July 1937 was 87.1 as compared with 76.9 for July 1936; for pay rolls in the United States in July 1937 the number was 73.2 compared with 59.9 for July 1936. The three-year average of 1923–1925 is used as 100.00 and is the basis given for these figures.

Texas furniture factories averaged only about 35 employees per plant during 1936, although at least four plants reported employment of 100 or more workers. Reports from plants received recently indicate that employment is nearer capacity for the individual plants than at any time in the last five years, the rate of increase being affected somewhat by the shortage of skilled labor.

FURNITURE FACTORIES IN THE UNITED STATES

Year	Number of Establishments	Number of Employees	Value of Products	Value Added by Manufacture
1919	3,329	140,252	$579,906,396	$314,181,386
1927	3,228	188,143	885,204,300	493,105,781
1929	3,778	193,399	948,116,358	521,662,189
1931	3,148	127,605	482,289,000	264,393,000
1933	3,411	105,488	297,729,981	155,142,743
1935	3,035	130,780	434,443,512	226,422,846

Source: United States Census of Manufactures.

According to the report of Mr. I. F. Eldredge, Regional Survey Director of the Southern Forest Experiment Station, there are approximately 957,000 acres of old-growth hardwood timber extending through 35 counties in the eastern part of Texas, and at least that amount in second growth hardwood also in East Texas. Most of the types of hardwoods used in the manufacture of furniture in the United States are represented in Texas forests, although the more important woods are sweet gum, black gum, tupelo gum, beech, and red and white oaks. There are also small quantities of birch, elm, hackberry and some walnut found in Texas which are employed to some extent in the manufacture of furniture.

Several varieties of oak of both the red oak and white oak groups are found in Texas; fourteen lumber companies reported production of oak lumber during 1936. Certain of the oaks grown in Texas are suitable for furniture and are used as a veneer or as solid wood, and also, for interior finishing. Oak is one of the most extensively used woods in the United States for furniture manufacture, and is found in nearly all eastern and southern states. It is used in large quantities by Texas furniture manufacturers and comes from both Louisiana and Texas forests. Beech has no marked ornamental figure but is used in the manufacture of chairs and furniture where configurations and grain effects are applied by means of stencils, and where it is necessary to bend the wood.

Much of the medium priced furniture is produced from gum, which takes a good finish and is particularly adaptable for use in the manufacture of imitation woods, such as mahogany, maple, or Circassian walnut. It is sufficiently hard for all furniture purposes, and yet is easily worked on machines. Most of the larger hardwood mills of East Texas produce gum lumber which is used in large amounts in furniture manufacturing in this State. One Texas factory produced approximately 25,000 suites of bedroom and dining room furniture during 1936, or nearly one hundred suites each working day, using mostly gum and beech lumber from Louisiana and Texas forests.

Hardwoods predominate in the manufacture of furniture, although the softer woods such as basswood, pine, cottonwood, cedar, willow, and cypress are utilized for parts of furniture not exposed in general usage, or for porch and kitchen furnishings.

Household articles fashioned from synthetic plastics and metal have been made and marketed with success

during recent years largely on the basis of line, color, and durability. Acceptance of this type of furniture is somewhat encouraging to its increased production; however, the several advantages of wood as a furniture material are such that the volume produced is not likely to be greatly affected in the near future by the output of other types of furniture.

Among the advantages of wood over metal as a furniture material are the facts that wood is a poor conductor of heat and therefore does not change greatly in temperature under varying climatic conditions; it is, generally speaking, more easily worked than metal and is comparatively noiseless under impact; also, most woods possess sufficient strength for use as furniture without excessive weight; and many types are in themselves highly ornamental, or lend themselves well to decorative arts. Metal furnishings, however, are particularly adaptable for certain uses, as, for instance, for offices and schools, and are already being produced by several manufacturers in Texas.

The sources of raw material and the facilities for distribution are two of the most important points to be considered in the possible location of an industry, furniture or otherwise, and as the furniture industry continues to develop in the South, and particularly in the Southwest, the demand for Texas hardwood suitable for furniture production will become greater. With the present available supply of necessary types of hardwood grown in Texas and the prospects of a future supply, partly as the result of improved methods of reforestation now in practice in the State, the possibilities for the further development of furniture manufacturing in Texas are considered favorable.

Manufacturers claim that profits in the industry in 1935 were the first made in furniture manufacturing since 1928; and indications, so far, are that all branches of the industry will show a larger profit this year than in 1935 or 1936. Many of the larger factories have greatly increased production during the last two years, other factories have been reopened, and some new plants put into operation; however, it is believed that there is a potential consumer market for at least twice the present production both in Texas and the rest of the country.

National Furniture Week, which is sponsored by the National Retail Furniture Association, will be observed from September 24 to October 2 this year. More than 300 newspapers will be used for publicity work, and it is estimated that $6,000,000 will be spent by the furniture industry during this week to stimulate the retail market throughout the United States.

CLARA H. LEWIS.

Rise of the Agricultural Problem and the Cotton Problem

It is proposed in this article to set forth in outline perspective the economic background of the cotton problem and in the succeeding one to suggest remedies.

It is impossible to understand the agricultural problems of the United States and much less the cotton problems without an understanding of the background of their development.

Fundamentally, the economy of the United States was built on rapidly expanding production of agricultural commodities for sale, or commercial agriculture which was based on a large supply of fertile, free land in the United States. The market for this large surplus of agricultural raw materials and food products was created by the rapidly expanding industrial population in the United States and Europe resulting from the mechanical revolution; the latter paying for its heavy imports of our raw cotton and food products with heavy investments in the development of our manufacturing and with the heavy interest payments, immigrant remittances, freight costs, and other similar items.

This rapid expansion of commercial agriculture based primarily on cotton, wheat, tobacco, naval stores, indigo, and livestock products created a rapidly expanding market for manufactured goods in the United States. The Government was able to use this growing market by means of higher prices artificially created by tariffs, as an incentive to develop the large manufacturing resources in the United States.

The three major pillars then upon which the greater part of the economic development of the United States was built, were: (1) commercial development of agriculture based on free land, (2) a tariff offsetting and serving in effect to distribute advantages of free land and rising land values, and (3) the opportunity for Europe to pay for food and raw materials imported from the United States with remittances other than material goods.

The foundation of this system began to disintegrate by the beginning of the World War. Free land was practically exhausted in the 1890's, though rising land values continued through the World War. In 1870 the average price of farm land was $18.26 per acre; in 1900 it was still only $19.81; but by 1910 it had advanced to $39.10; and in 1920 it had reached a peak of $69.38. From 1920 to 1935 average land values declined to $31.16. The number of farms in the United States increased from 2,659,985 in 1870 to 5,737,382 in 1900, and since 1910 the increase in the number of farms has been very small. In fact, there were fewer farms in 1930 than in 1910. Strict immigration laws cut immigrant remittances, and the rapid expansion of exports of manufactured goods began to exceed exports of raw material and food products as early as 1893.

The World War completely wrecked any possibility of continuing the old system described above on a sound economic base. It the first place, it created an enormous demand for large quantities of both agricultural products and manufactured goods which caused great expansion, especially in manufacturing for an artificial market. Land in farms increased 77,000,000 acres in

the United States from 1910 to 1920 and the value of agricultural exports increased from $1,143,000,000 in 1913 to $3,580,000,000 in 1919.

The growth in the exports of manufactured goods was even much more rapid than exports of agricultural products. The value of all exports of manufactures in 1913 was $1,506,000,000; and in 1919 it had reached the enormous sum of $5,448,000,000.

Europe paid for its enormous imports during the War by giving up investments in the United States which it had been accumulating for over a century, and when they were exhausted, by piling up a huge debt.

In brief, the close of the World War found the United States not only without free land but facing a period of declining land values. It found Europe with no ability to pay for our agricultural products other than with immigrants and manufactured goods, one of which we excluded by strict immigration laws and the other by high tariffs. Finally, the manufacturing capacity in the United States had not only caught up with the ability of the home market to buy but had enormous quantities to export.

We staved off the inevitable collapse of the old system immediately after the close of the War because of the necessity of Europe to rebuild not only its manufacturing but much of its agriculture as well. We were able to, and did, loan enormous sums of money to Europe with which it was able to buy our raw materials and manufactures with which to rebuild. The loans paid for our exports, and they, together with installment selling in this country, expanded the market to take care of the situation until 1929, when we were unwilling to make more loans to Europe or to further extend installment sales. Figures themselves tell the story most dramatically. During the ten years—1919 through 1928—our exports of all goods exceeded our imports of goods by $11,987,000,000. They were paid for largely by promises to pay from our foreign customers. During the nine years—1920 through 1928—foreign loans, less gold imports, amounted to about $8,000,000,000.

Policy Since 1929

Policymakers from 1929 to date have not recognized, or at least have not formulated, a policy which gives due recognition to the fundamental economic changes which have taken place in the United States, much less to our changed international economic relations. Lack of adjustment in policy is revealed by the fact that our tariff barriers and other trade restrictions are the greatest in history, and that exports of goods from 1929 through 1935 exceeded imports of goods by a grand total of $2,972,000,000. These excess exports were paid for largely by the net importation of a large part of the rest of the world's monetary gold supply or about $2,850,000,000 in gold. What next?

Increasing Markets, The Fundamental Problem

Since American economy is a market economy, the key to profitable employment and a satisfactory standard of living is a ready market. A loss of a substantial portion of the market must necessarily result in lower incomes, unemployment and unsatisfactory conditions in general. The fact is, most of the trouble with the American cotton industry may be summarized in the words "loss of markets."

A. B. Cox.

COTTON BALANCE SHEET

Indicated supplies of cotton in the United States, September 1, were 19,780,000 bales compared with 15,775,000 bales last year and 17,986,000 bales two years ago. This is the largest supply on a September 1 since 1932—the bottom of the depression—when the supply was 20,171,000 bales. It is significant to note that the New Orleans spot price was 7.92 cents at that time and the buying power, or index price, was equal to 12.14 cents. Today, September 25, the actual price is 8.44 cents, and the buying power price is only 9.64 cents. According to Government figures, the buying power price of cotton is now lower than at any time during the depression except for September and October, 1931, and May and June, 1932, when we had an all-time high supply of cotton in the United States of 21,950,000 bales for the year 1931–32. The gold price of New Orleans spot cotton is now at an all-time low of about 1.15 grains per pound, compared with the lowest gold price during the depression of about 1.16 grains per pound in June, 1932.

According to averages over the past seven years, each change of 100,000 bales in the supply of cotton should cause a change of between 17 and 18 points in the index price. If that should hold good this year, the New Orleans spot cotton price is due to go close to 8.00 cents, based on these factors alone. These figures do not take into account the unprecedentedly large foreign crop or war demand. The Bureau's supply-price chart, on the other hand, indicates a price of about 9.00 cents.

SPINNERS MARGIN

Spinners ratio margin on American cotton, based on the price of 32's twist yarn in Manchester, and the price of middling seven-eighths in cotton, in Liverpool was 229 in August compared with 178 in August last year. The pence margin in August was 7.25d compared with 4.84d in August last year. This indicates a strong demand for cotton at least in England.

TEXAS COMMERCIAL FAILURES

	Aug. 1937	Aug. 1936†	July 1937†
Number	13	12	17
Liabilities‖	$1,070	$136	$226
Assets‖	$ 35	$ 23	$ 57
Average Liabilities per Failure‖	$ 7¶	$ 11	$ 13

†Revised.
¶Does not include figures for one firm with liabilities of $980,000.
‖In thousands.
Note: From Dun and Bradstreet, Inc.

STOCK PRICES

	August 1937	August 1936	July 1937
Standard Indexes of the Securities Markets:			
419 Stocks Combined	120.5	113.0	117.8
347 Industrials	143.5	128.4	139.4
32 Rails	50.9	53.9	52.1
40 Utilities	97.0	108.8	95.9

Note: From Standard Statistics Co., Inc.

TEXAS CHARTERS

	August 1937	August 1936	July 1937†
Domestic Corporations:			
Capitalization‖	$4,030	$2,311	$2,052
Number	141	132	133
Classification of new corporations:			
Banking-Finance	5	3	3
Manufacturing	26	25	24
Merchandising	41	34	36
Oil	30	31	31
Public Service	2	2	.
Real Estate-Building	12	10	11
Transportation	1	1	2
All Others	24	26	26
Number capitalized at less than $5,000	48	53	56
Number capitalized at $100,000 or more	10	4	5
Foreign Corporations (Number)	36	29	37

‖In thousands.
†Revised.
NOTE: Compiled from records of the Secretary of State.

LUMBER
(In Board Feet)

	August 1937	August 1936	July 1937
Southern Pine Mills:			
Average Weekly Production per Unit	310,073	320,481	315,790
Average Weekly Shipments per Unit	305,063	318,035	307,740
Average Unfilled Orders per Unit, End of Month	667,653	777,677	726,851

NOTE: From Southern Pine Association.

CONSUMPTION OF ELECTRIC POWER IN TEXAS

	Power Consumed (In Thousands of K.W.H.)			Percentage Change	
	August 1937	August 1936	July 1937	Aug. 1937 from Aug. 1936	Aug. 1937 from July 1937
Commercial	48,991	42,069	46,687	+16.5	+ 4.9
Industrial	119,083	96,858	111,287	+22.9	+ 7.0
Residential	32,509	28,017	31,063	+16.0	+ 4.7
All Others	26,868	22,787	24,257	+17.9	+10.8
TOTAL	227,451	189,731	213,294	+19.9	+ 6.6

NOTE: Prepared from reports from 17 electric power companies to the Bureau of Business Research.

RETAIL SALES OF INDEPENDENT STORES IN NEW MEXICO, OKLAHOMA, AND TEXAS

	August 1937				Year-to-date 1937		
	Number of Firms Reporting	Dollar Sales	Percentage Change in Dollar Sales from Aug. 1936	Percentage Change in Dollar Sales from July 1937	Number of Firms Reporting	Dollar Sales	Percentage Change in Dollar Sales from Year-to-Date 1936
TOTAL (New Mexico, Oklahoma, and Texas Combined)	1,207	15,818,058	+ 7.7	+ 1.3	797	99,798,628	+ 6.0
NEW MEXICO	72	867,061	+10.3	− 5.3	42	4,682,189	+15.6
OKLAHOMA	277	2,389,402	+ 5.0	− 3.3	185	14,036,383	+ 1.9
TEXAS	858	12,561,595	+ 8.1	+ 2.7	570	81,080,056	+ 6.3
TEXAS STORES GROUPED BY LINE OF GOODS CARRIED:							
APPAREL	120	1,785,099	+ 9.7	+13.8	86	12,336,073	+11.5
Family Clothing Stores	28	190,784	+ 8.8	− 6.7	22	1,226,590	+ 3.3
Men's and Boys' Clothing Stores	47	664,505	+ 5.3	+ 6.6	33	4,592,901	+11.0
Shoe Stores	18	94,975	+ 4.2	− 5.2	10	735,810	+ 7.6
Women's Specialty Shops	27	834,835	+14.4	+30.3	21	5,780,772	+14.5
AUTOMOTIVE	123	3,786,517	+ 8.9	− 3.6	84	22,204,266	− 2.1
Filling Stations	28	134,525	+ 5.3	−11.0	21	770,674	+ 9.0
Motor Vehicle Dealers	92	3,633,375	+ 9.1	− 3.2	63	21,433,592	− 2.4
Tire Dealers	3	18,617	− 3.8	−17.8	....	‡	....
COUNTRY GENERAL AND FARMERS' SUPPLIES	90	583,230	+ 7.8	− 4.5	69	3,666,037	+17.1
DEPARTMENT STORES	48	3,149,880	+ 8.6	+ 9.5	41	26,311,302	+ 8.4
DRUG STORES	139	446,330	+ 3.7	+ 0.2	111	2,672,229	+ 5.2
FLORISTS	32	38,225	+12.2	+10.6	....	‡	....
FOOD	134	927,368	+ 2.3	− 4.8	100	5,415,024	+ 9.2
Grocery Stores	35	199,810	+ 3.6	− 2.0	25	1,115,297	+ 8.2
Grocery and Meat Stores	99	727,558	+ 1.9	− 5.6	75	4,299,727	+ 9.5
FURNITURE AND HOUSEHOLD	39	711,684	+11.7	+14.6	21	2,595,601	+ 0.7
Furniture Stores	29	585,001	+ 6.8	+17.4	15	2,151,059	− 1.5
Household Appliance Stores	5	89,509	+47.5	+ 7.6	....	‡	....
Other Home Furnishings Stores	5	37,174	+29.2	− 6.5	6	444,542	+12.8
JEWELRY	49	173,095	+24.8	+ 0.8	6	136,376	+14.6
LUMBER, BUILDING, AND HARDWARE	59	828,164	+ 4.6	− 5.0	37	5,012,809	+18.2
Hardware Stores	28	316,879	+ 6.0	−10.7	20	2,515,901	+22.4
Lumber and Building Material Dealers	31	511,285	+ 3.8	− 1.0	17	2,496,908	+14.2
RESTAURANTS	15	67,890	− 1.8	+ 2.1	10	413,095	+ 4.6
ALL OTHER STORES	10	64,113	+ 0.1	− 1.2	5	317,244	− 5.4
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:							
All Stores in Cities of—							
OVER 100,000 POPULATION	177	6,098,466	+ 7.0	+ 6.8	122	42,825,696	+ 5.4
50,000–100,000 POPULATION	77	1,276,743	+ 9.1	+ 4.1	53	7,863,472	+ 9.8
2,500–50,000 POPULATION	419	4,131,527	+10.1	− 1.3	258	23,791,413	+ 6.7
LESS THAN 2,500 POPULATION	186	1,072,271	+ 4.9	− 4.7	137	6,599,475	+ 6.4

‡Not available.
NOTE: Prepared from reports from independent retail stores to the Bureau of Business Research, coöperating with the United States Department of Commerce.

AUGUST SHIPMENTS OF LIVE STOCK CONVERTED TO A RAIL-CAR BASIS§

	Cattle		Calves		Hogs		Sheep		Total	
	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936
Total Interstate Plus Fort Worth¶	4,728	2,038	1,415	667	534	449	1,296	398	7,973	3,552
Total Intrastate Omitting Fort Worth	525	405	79	93	44	57	203	53	851	608
TOTAL SHIPMENTS	5,253	2,443	1,494	760	578	506	1,499	451	8,824	4,160

TEXAS CAR-LOT§ SHIPMENTS OF LIVE STOCK, JANUARY 1 TO SEPTEMBER 1

	Cattle		Calves		Hogs		Sheep		Total	
	1937	1936	1937	1936	1937	1936	1937	1936	1937	1936
Total Interstate Plus Fort Worth¶	41,200	26,674	6,352	4,408	5,253	4,777	7,936	3,099	60,741	38,958
Total Intrastate Omitting Fort Worth	5,686	5,009	1,010	928	398	295	696	309	7,790	6,541
TOTAL SHIPMENTS	46,886	31,683	7,362	5,336	5,651	5,072	8,632	3,408	68,531	45,499

§Rail-car Basis: Cattle, 30 head per car; calves, 60; hogs, 80; and sheep, 250.
¶Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.
NOTE: These data are furnished the United States Bureau of Agricultural Economics by railway officials through more than 1,500 station agents, representing every livestock shipping point in the State. The data are compiled by the Bureau of Business Research.

AUGUST RETAIL SALES OF INDEPENDENT STORES IN TEXAS

	Total Number of Firms Reporting	Percentage Change in Dollar Sales August 1937 from August 1936	August 1937 from July 1937
TOTAL TEXAS	858	+ 8.1	+ 2.7
TEXAS STORES GROUPED BY PRODUCING AREAS:			
DISTRICT 1-N	41	+22.5	−19.8
Amarillo	12	+22.3	− 8.2
Pampa	5	+42.6	−14.5
Plainview	8	+ 2.8	−37.2
All Others	16	+14.7	−34.7
DISTRICT 1-S	21	+20.9	− 9.7
Big Spring	6	+39.8	+ 1.5
Lubbock	10	+15.0	−15.6
All Others	5	+ 1.7	+14.9
DISTRICT 2	78	+25.2	− 2.3
Abilene	17	+43.5	+ 4.4
Snyder	5	+13.9	− 1.0
Vernon	5	+15.2	−18.4
Wichita Falls	8	+14.1	+ 0.6
All Others	43	+18.4	− 7.3
DISTRICT 3	32	+ 2.6	− 5.6
Breckenridge	4	+ 3.4	−13.5
Brownwood	8	+10.9	+ 5.4

	Total Number of Firms Reporting	Percentage Change in Dollar Sales August 1937 from August 1936	August 1937 from July 1937
Stephenville	6	−10.0	−15.2
All Others	14	+ 2.8	− 6.8
DISTRICT 4	198	+ 2.8	+ 6.8
Cleburne	7	− 1.0	−21.4
Corsicana	10	− 0.8	− 0.4
Denison	6	−11.3	− 5.5
Dallas	42	+ 4.5	+17.7
Fort Worth	24	+ 3.4	− 5.6
Greenville	3	−16.0	− 2.6
Paris	3	− 8.6	− 9.8
Sherman	7	+ 2.5	−16.4
Temple	11	− 4.9	− 1.8
Taylor	9	− 7.3	+ 5.3
Waco	16	+ 2.0	+13.9
All Others	60	+ 3.8	+ 1.3
DISTRICT 5	93	− 4.4	− 1.3
Bryan	9	− 6.9	+ 6.7
Longview	6	+13.6	−14.9
Marshall	9	+ 9.1	+ 9.6
Nacogdoches	4	− 4.7	+ 0.2
Tyler	18	− 2.0	+ 1.5
All Others	47	− 9.2	− 2.7
DISTRICT 6	35	+15.7	− 2.2
El Paso	24	+12.7	− 0.7
All Others	11	+32.7	− 8.9
DISTRICT 7	48	+11.7	− 1.5
Brady	5	+11.5	+ 2.7
San Angelo	19	+15.7	− 0.7
All Others	24	+ 3.2	− 3.9
DISTRICT 8	131	+10.0	+11.5
Austin	25	+10.6	+ 5.5
Corpus Christi	9	+12.5	+25.7
Lockhart	5	+18.1	+ 6.1
San Marcos	6	+27.9	+ 7.7
San Antonio	30	+10.8	+14.8
All Others	56	+ 4.1	+ 4.7
DISTRICT 9	127	+ 8.3	− 0.1
Beaumont	11	+32.9	+ 5.5
Galveston	12	+ 1.2	− 4.6
Houston	57	+ 7.9	0.0
Port Arthur	13	− 3.1	− 2.3
Victoria	6	+ 5.7	− 3.7
All Others	28	+ 4.2	− 1.3
DISTRICT 10	54	+18.3	+19.9
Brownsville	14	+30.1	+18.3
Harlingen	11	+32.3	+50.5
All Others	29	+ 8.4	+10.1

NOTE: Prepared from reports from independent retail stores to the Bureau of Business Research, coöperating with the United States Department of Commerce.

AUGUST CARLOAD MOVEMENT OF POULTRY AND EGGS

	Cars of Poultry						Cars of Eggs	
	Live				Dressed			
	Chickens		Turkeys		Chickens	Turkeys		
	1937	1936	1937	1936	1937 1936	1937 1936	1937	1936
Shipments from Texas Stations								
TOTAL	36	40	2				21	40
Intrastate		4					4	3
Interstate	36	36	2				17	37
Receipts at Texas Stations								
TOTAL	1	3			2	5		9
Intrastate	1	3			2			6
Interstate						5		3

NOTE: These data are furnished the U. S. Department of Agriculture, Division of Crop and Livestock Estimates, by railway officials through agents at all stations which originate and receive carload shipments of poultry and eggs. The data are compiled by the Bureau of Business Research.

COMMODITY PRICES

	August 1937	August 1936	July 1937
WHOLESALE PRICES:			
U. S. Bureau of Labor Statistics (1926 = 100)	87.5	81.6	87.9
The Annalist (1926 = 100)	94.3	85.0†	95.2†
FARM PRICES:			
U. S. Department of Agriculture (1910–14 = 100)	123.0	124.0	125.0
U. S. Bureau of Labor Statistics (1926 = 100)	86.4	83.8	89.3
RETAIL PRICES:			
Food (U. S. Bureau of Labor Statistics, 1923–25 = 100)	85.5	84.0	85.9
Department Stores (Fairchild's Publications, Jan. 1931 = 100)	96.6	88.5	96.3

†Revised.

CEMENT

(In Thousands of Barrels)

	Aug. 1937	Aug. 1936	July 1937
Texas Plants:			
Production	662	581	631
Shipments	626	509	606
Stocks	751	587	715
United States:			
Production	11,894	12,535	11,597
Shipments	12,291	12,560	12,237
Stocks	22,973	18,950	23,370†
Capacity Operated	54.4%	56.2%	53.1%

†Revised.
NOTE: From U.S. Department of Interior, Bureau of Mines.

PETROLEUM

Daily Average Production

(In Barrels)

	August 1937	August 1936	July 1937
East Central Texas	127,900	60,450	123,050
East Texas	471,900	432,000	469,300
Gulf Coast¶	225,650	258,300	204,850
North Texas	75,050	60,950	73,100
Panhandle	80,750	61,600	77,900
Southwest Texas	271,750	86,350	235,550
West Central Texas	33,650	26,550	33,800
West Texas	238,200	180,600	202,500
STATE	1,524,850	1,166,800	1,420,050
UNITED STATES	3,707,650	3,033,950	3,561,750
Imports	183,750	161,643	182,071

¶Includes Conroe.
NOTE: From American Petroleum Institute.
See accompanying map showing the oil producing districts of Texas.

Gasoline sales as indicated by taxes collected by the State Comptroller were: July 1937, 111,122,000 gallons; July 1936, 100,357,000 gallons; June 1937, 106,562,000 gallons.

COTTON BALANCE SHEET IN THE UNITED STATES AS OF SEPTEMBER 1

(In Thousands of Bales)

	Carryover Aug. 1	Imports to Sept. 1¶	Government Estimate as of Sept. 1§	Total	Consumption to Sept. 1§	Exports to Sept. 1§	Total	Balance Sept. 1
1929–1930	2,313	25	14,825	17,163	559	226	785	16,378
1930–1931	4,530	6	14,340	18,876	353	366	719	18,157
1931–1932	6,369	7	15,865	22,061	425	211	636	21,425
1932–1933	9,682	7	11,310	20,999	404	452	856	20,143
1933–1934	8,176	12	12,414	20,602	589	531	1,120	19,482
1934–1935	7,746	11	9,252	17,009	419	253	672	16,337
1935–1936	7,138	8	11,489	18,635	408	241	649	17,986
1936–1937	5,397	13	11,121	16,531	574	182	756	15,775
1937–1938	4,498	8	16,098	20,604	604	220	824	19,780

The cotton year begins August 1. ¶In 500-pound bales. §In running bales, counting round bales as half bales.
NOTE: The figures have been revised in accordance with the revisions made by the United States Bureau of the Census.

BUILDING PERMITS

	August 1937	August 1936	July 1937
Abilene	$ 40,335	$ 30,170	$ 17,103
Amarillo	176,879	69,141	79,730
Austin	277,582	275,887	435,698
Beaumont	102,783	36,320	109,890
Big Spring	13,735	11,688¶	11,450
Brownsville	17,778	5,493	13,310
Brownwood	325	250	1,150
Corpus Christi	155,110	818,572	121,640¶
Corsicana	1,779	11,025	16,330
Dallas	644,848	655,827	837,573
Del Rio	20,125	4,125	2,125
Denison	4,400	11,940	8,285
El Paso	50,161	46,074	64,594
Fort Worth	322,898	815,585	340,147
Galveston	64,891	67,166	71,448
Graham	28,375	16,800	14,700
Harlingen	53,550¶	26,532¶	24,200
Houston	1,817,440	922,412	992,045
Jacksonville	6,150	4,325	9,300
Laredo	3,975	11,425	7,375
Lubbock	97,875	65,934	78,995
McAllen	34,515	16,450	47,960
Palestine	24,478	15,424	15,111
Pampa	2,965	17,528¶	29,650
Paris	63,575	13,160	5,635
Plainview	8,788¶	1,600¶	1,050
Port Arthur	79,166	86,140	61,484
San Angelo	28,820	28,625	30,248
San Antonio	282,839¶	281,478¶	282,370
Sherman	16,331	29,979	18,827
Snyder	4,850		6,875
Sweetwater	5,985	17,568¶	10,725
Tyler	112,991	95,836	122,212
Waco	94,820	46,616	91,625
Wichita Falls	25,940	17,843	25,270
TOTAL	$4,687,057	$4,574,938	$4,006,130

¶Does not include public works.

NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

POSTAL RECEIPTS

	August 1937	August 1936	July 1937
Abilene	$ 15,357	$ 14,401	$ 16,915
Amarillo	27,694	25,749	29,780
Austin	53,170	49,388	52,440
Beaumont	22,460	20,557	24,375
Big Spring	4,885	4,119	5,692
Brownsville	4,962	4,951	5,839
Brownwood	5,138	4,287	5,637
Cleburne	2,872	3,199	3,123
Corpus Christi	23,330	17,248	22,945
Corsicana	4,685	4,650	4,824
Dallas	303,273	327,069	332,664
Del Rio	4,293	2,780	3,662
Denison	4,389	4,083	4,632
El Paso	44,201	36,748	40,546
Fort Worth	129,979	121,096	127,951
Galveston	28,127	25,360	26,702
Graham	2,225	1,816	2,420
Harlingen	5,535	3,849	5,280
Houston	210,091	190,451	216,264
Jacksonville	2,654	2,763	2,854
Longview	8,571	8,351	10,419
Lubbock	12,837	11,152	13,608
McAllen	3,329	3,055	3,731
Marshall	5,346	5,345	5,805
Palestine	7,440	6,194	4,082
Pampa	5,789	5,009	7,337
Paris	4,891	5,415	5,255
Plainview	3,643	2,830	3,746
Port Arthur	11,168	10,016	11,401
San Angelo	9,919	9,705	10,429
San Antonio	111,604	100,835	109,915
Sherman	6,452	6,367	7,330
Snyder	998	1,076	1,119
Sweetwater	4,110	4,821	4,116
Tyler	15,377	14,740	14,507
Waco	30,478	27,346	30,328
Wichita Falls	22,459	21,066	21,262
TOTAL	$1,163,731	$1,107,887	$1,198,935

NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

AUGUST CREDIT RATIOS IN TEXAS RETAIL STORES

(Expressed in Per Cent)

	Number of Stores Reporting	Ratio of Credit Sales to Net Sales 1937	Ratio of Credit Sales to Net Sales 1936	Ratio of Collections to Outstandings 1937	Ratio of Collections to Outstandings 1936	Ratio of Credit Salaries to Credit Sales 1937	Ratio of Credit Salaries to Credit Sales 1936
All Stores	62	57.3	55.5	36.3	35.6	1.6	1.6
Stores Grouped by Cities:							
Abilene	3	59.5	58.7	28.7	26.0	2.1	2.1
Austin	5	54.5	55.9	38.3	36.4	1.6	1.5
Dallas	7	63.2	59.8	37.9	38.3	1.3	1.4
Fort Worth	8	53.5	51.6	34.4	32.4	1.9	1.8
Galveston	3	58.6	59.0	36.8	38.2	3.1	2.9
Houston	7	64.2	61.9	37.5	36.5	1.7	1.8
San Antonio	5	46.3	46.7	41.7	41.8	1.3	1.1
Waco	4	60.6	57.1	26.0	25.1	1.8	1.8
All Others	20	53.7	52.8	33.8	32.1	2.1	2.2
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over $500,000)	12	51.8	50.8	38.7	37.3	1.6	1.6
Department Stores (Annual Volume Under $500,000)	13	57.1	56.5	31.3	29.5	2.2	2.4
Dry Goods-Apparel Stores	5	55.2	56.7	31.3	27.9	2.7	2.8
Women's Specialty Shops	12	66.6	62.9	32.0	32.5	1.0	1.1
Men's Clothing Stores	20	66.3	63.6	37.0	37.6	2.0	2.0
Stores Grouped According to Volume of Net Sales During 1936:							
Over $2,500,000	6	51.8	50.6	38.9	40.9	1.4	1.5
$2,500,000 down to $1,000,000	8	55.2	55.8	36.0	38.7	1.5	1.5
$1,000,000 down to $500,000	7	61.2	60.3	40.1	38.2	2.6	2.3
$500,000 down to $100,000	32	57.8	56.0	33.7	34.0	2.4	2.8
Less than $100,000	9	52.3	47.4	36.2	46.9	4.7	4.1

NOTE: The ratios shown for each year, in the order in which they appear from left to right, are obtained by the following computations: (1) Credit sales divided by net sales. (2) Collections during the month divided by the total accounts unpaid on the first of the month. (3) Salaries of the credit department divided by credit sales.

The data are reported to the Bureau of Business Research by Texas retail stores.

BANKING STATISTICS

(In Millions of Dollars)

	August 1937 Dallas District	August 1937 United States	August 1936 Dallas District	August 1936 United States	July 1937 Dallas District	July 1937 United States
DEBITS to individual accounts	969*	40,597*	815*	39,811*	810	35,572
Condition of reporting member banks on—	Sept. 1, 1937		Sept. 2, 1936		July 29, 1937	
ASSETS:						
Loans and investments—total						
Loans—total	508	22,319	468	22,263	494	22,283
Commercial, industrial, and agricultural loans:	234	10,027	204	8,454	223	9,784
On securities	13	595	‡	‡	13	581
Otherwise secured and unsecured	134	4,043	‡	‡	126	3,844
Open market paper	3	466	‡	‡	3	464
Loans to brokers and dealers in securities	3	1,392	2	1,163	3	1,363
Other loans for purchasing or carrying securities	16	703	‡	‡	16	701
Real estate loans	21	1,164	23	1,145	21	1,163
Loans to banks	1	135	1	65	2	150
Other loans:						
On securities	9	717	‡	‡	8	721
Otherwise secured and unsecured	34	812	‡	‡	31	797
U. S. Government obligations	196	8,193	178	9,263	191	8,283
Obligations fully guaranteed by U. S. Government	29	1,130	36	1,236	29	1,188
Other securities	49	2,969	48	3,310	51	3,028
Reserve with Federal Reserve Banks	111	5,186	97	5,082	110	5,231
Cash in vault	9	281	9	371	10	311
Balances with domestic banks	142	1,638	175	2,272	149	1,753
Other assets—net	28	1,302	27	1,307	26	1,265
LIABILITIES:						
Demand deposits—adjusted	387	14,924	359	14,867	401	15,033
Time deposits	124	5,268	120	5,032	121	5,268
U. S. Government deposits	19	591	37	820	10	430
Inter-bank deposits:						
Domestic banks	181	4,883	179	5,860	172	5,020
Foreign banks	—	585	—	407	1	601
Borrowings	1	15	—	4	—	32
Other liabilities	5	845	6	805	4	862
Capital account	81	3,615	75	3,500	80	3,597

*Five weeks.
‡Not available.
NOTE: From Federal Reserve Board.

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